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Building Activity Edges Up Slightly in April

Roseville, MN (May 9, 2007) – Builders in the Twin Cities are exercising caution as the local housing market continues to shake out, edging up activity only slightly in a month that has historically marked a seasonal up tick for construction.

According to statistics compiled by the Keystone Report for the Builders Association of the Twin Cities (BATC), 895 permitted units last month, down from 1,177 in April 2006. Year-to-date activity continues to fall short of last year, with a total of 2,883 permitted units thus far, down from 4,247 permitted through the same month in 2006.

Though activity is down compared to the same month a year ago, there was over a 100 percent increase in permitted units from March to April this year. Builders are receiving the news with measured optimism says Division President of Toll Brothers and 2007 BATC President, Michael Noonan.

“The market is making clear strides towards a rebound, but it is beginning to appear that recovery will be more drawn out than previously expected,” said Noonan. “Unquestionably, the extent and depth of adjustment has been exacerbated by negative coverage of uncertainties - including the impact of subprime lending.”

Most recent coverage has surrounded the industry slowdown, while not giving notice to how the adjustment affects homebuyers. Perhaps the most overlooked positive note currently is the continued buyers market says Noonan.

“It’s aggravating to see buyers misinformed on the housing market,” says Noonan. “This is one the best times to buy a home in the Twin Cities in at least the last decade. There is an outstanding local economy, historically low interest rates, and a wide-variety of housing choices in one of the best places to live in the entire country. It’s an absolutely great time to be in the market for a home in the Twin Cities.”

Minneapolis continues to lead the metro area in construction year-to-date with 373 permitted units. St. Paul ranks second with 348, followed by Woodbury with 191, Chaska with 150, and Lakeville with 99.

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April 2007 Building Activity

	Permits	Permitted Units	Permit Value
January	379	896	167,615,138
February	305	580	119,839,736
March	330	443	122,163,105
April	486	895	188,770,051

5-Year Comparisons

	Permits	Permitted Units	Permit Value
Apr 2003	811	1,497	238,670,439
Apr 2004	903	1,283	238,594,579
Apr 2005	717	1,142	217,361,790
Apr 2006	670	1,177	223,216,758
Apr 2007	486	895	188,770,051

	Permits	Permitted Units	Permit Value
YTD 2003	2,978	5,358	844,650,927
YTD 2004	3,115	5,019	904,281,233
YTD 2005	2,539	4,184	818,246,573
YTD 2006	2,535	4,247	856,504,141
YTD 2007	1,552	2,883	615,266,840

Multifamily Construction as a Percentage of Total Activity

Jan	Feb	Mar	Apr	YTD
62	51	33	52	51

April				Year-to-Date			
Permits		Units		Permits		Units	
Woodbury	40	St. Paul	204	Woodbury	135	Minneapolis	373
Lakeville	26	Woodbury	56	Lakeville	77	St. Paul	348
Cambridge	19	Minneapolis	50	Blaine	71	Woodbury	191
Otsego	19	Lakeville	35	Maple Grove	62	Chaska	150
Blaine	18	Otsego	33	Otsego	54	Lakeville	99

The Builders Association of the Twin Cities has contracted with Keystone Report, a local research firm, to maintain a database with information about new residential construction permits around the metropolitan area. After a builder has picked up the permit from a city, Keystone Report compiles and updates weekly residential housing permits by city for 70 percent of the metropolitan-area municipalities in the greater 13-county region. Planned units are the total number of housing units planned to be built under the permits issued (one permits is issued per building which may include more than one housing unit). Permit value does not include the land/lot costs.

**The reporting period for each month compares statistics over four weeks, while year-to-date statistics cover the first 17 weeks of the year 2007*